GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:989
ANSWERED ON:23.11.2001
NON-PERFORMING ASSETS OF BANKS
AJAY SINGH CHAUTALA;R.L. JALAPPA;RAMPAL SINGH;SAHIB SINGH VERMA

Will the Minister of FINANCE be pleased to state:

(a) the non-performing assets (NPA) of the each public sector banks and Financial Institutions as on date;

(b) the NPA of these banks during each of the last three years;

(c) the steps the Government has taken during the above period to check/reduce the increasing NPA in banks and Financial Institutions;

(d) whether the Government propose to give more powers to banks and financial institutions to recover their dues;

(e) if so, the details thereof; and

(f) the time by when it is likely to be done ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a)&(b): The details of latest available figures of non-performing assets (NPA) of each Public Sector Banks and Financial Institutions for the last three years is given in the Annexure.

(c),(d),(e)&(f): Government of India and Reserve Bank of India (RBI) have advised the banks and financial institutions to take several steps for recovery of bank dues such as evolving and implementation of recovery policy by banks, filing of suits with civil courts, filing cases with Debt Recovery Tribunals (DRTs), compromise settlement through Settlement Advisory Committees and monitoring and follow up of Non-Performing Assets (NPAs) at various levels in the bank.RBI vide its circular dated 27th July, 2000 had framed non-discretionary and non-discriminatory guidelines for settlement of NPAs upto Rs.5 crore and advised banks to evolve their own policy for loan outstandings of above Rs.5 crore. Effective action by banks for rehabilitation, one-time settlement for filing of suits in all necessary cases by 30.9.2001 has to be ensured by the chief executives. The banks have also been advised to use the forum of Lok Adalat for compromise settlement of their NPAs and guidelines have been issued by RBI in May, 2001 for making increased use of this forum to settle disputes involving outstanding balance in NPA accounts upto Rs.5 lakhs. Action has also been initiated to bring in a legislation that will facilitate foreclosures and enforcement of securities in cases of default, in order to enable the banks and financial institutions to realise their dues. Credit Information Bureau is being set up to disseminate information on borrowers to the banks.